

MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, August 18, 2014, 3:00 p.m.
City Hall, 100 N. Jefferson Street, Room 604
Green Bay, WI 54301

MEMBERS: Tom Diedrick–Chair, Corday Goddard, and Adam DeKeyser

MEMBERS ABSENT: Ann Hartman – Vice Chair and Sup. Andy Nicholson

OTHERS PRESENT: Kim Flom, Robyn Hallet, Stephanie Schmutzer, Mai Nou Yang, Patrick Leifker, Nicole Tiedt, and Yvette Tice

APPROVAL OF MINUTES:

1. Approval of the minutes from the July 21, 2014, meeting of the Brown County Housing Authority.

A. DeKeyser made a motion to approve the minutes from the July 21, 2014, meeting of the Brown County Housing Authority meeting. C. Goddard seconded. Motion carried.

COMMUNICATIONS:

2. Letter from HUD dated August 12, 2014, regarding Set Aside Funding.

R. Hallet stated the letter indicates that the Authority received the set-aside funding for which it had applied, for portability. R. Hallet explained the funding is extra funding that, PHAs can apply for if HUD makes it available. The Authority was awarded an extra \$1,164,650.00 with this funding.

K. Flom inquired what the Authority does with the funding.

R. Hallet explained it is HAP payment funding and the challenge is to utilize it as quickly as possible, which will be difficult considering how late in the year the Authority received the funding. We want to try to use it in time for it to have a positive impact on the following year's funding. If the Authority does not use the funding, it may have a negative impact since it would appear to be unspent funding. R. Hallet stated staff has an email in to the HUD Milwaukee office to discuss this further.

T. Diedrick inquired whether the staff has any ideas on how to use the finding.

P. Leifker stated it is to lease up as many as possible, as quickly as possible, but the question staff has for HUD is if HUD would allow PHA's reserves to exceed the 10 percent limit because of the late notice of the funding. If that is the case, then there is not as much of a rush to spend the funding quickly.

R. Hallet stated the concern is staff has been told generally lease ups during the last quarter of the year do not really have an impact on the follow year's funding. There is no way the funding can be used before the end of the quarter. Therefore, the question that the staff needs to discuss with HUD is the 10 percent in the reserve limit and any allowance considering the late notice.

A. DeKeyser inquired about the current waiting list.

P. Leifker stated as of August 1st, the preference waiting list is around 373, which are Brown County residents, broken down into several subcategories. He believes there are over 200 on the non-preference waiting list.

C. Goddard inquired if the reason that it's not possible to spend the money before the beginning of the final quarter is because of a lack of human resources or because of the process?

P. Leifker explained the process to lease up new participants: When an applicant is pulled from the waiting list, they are given two weeks to return the required documents. ICS then meets with the

applicant to determine their income eligibility. Following that, the applicant attends a group briefing and is issued a voucher. Once the applicant finds a unit, an HQS inspection is scheduled, which needs to pass before the payments can be authorized. That process generally takes two months or more, so there is not sufficient time before September 30th.

A. DeKeyser inquired when the set aside funding was applied for. P. Leifker stated he didn't recall, but HUD had previously anticipated awarding the funds in early June. Therefore, the impact is different now that it is two months later.

S. Schmutzer stated the impact is the highest when funding is awarded in the first quarter; in the last quarter, a new participant is only counts for three months. However, the Authority still has to keep the individual on the program for the entire next year but only gets credit for three months. Therefore, if the Authority is able to hold the funding until January, it would be the most beneficial.

C. Goddard inquired whether there is a process by which to ask questions of HUD. R. Hallet stated staff usually has a telephone conference with their contact at HUD, who is usually very responsive; however, he was out last week and will be out again until Thursday.

A. DeKeyser inquired whether HUD informs PHAs that additional funds are available; PHAs can then apply for them and then are informed of awards. In other words, is the process one that requires PHAs to make a plan then receive the funds or receive the funds then make a plan?

S. Schmutzer explained that Set Aside Funding is usually very heavily prorated; in previous years the funding has been prorated by fifty percent or more. So, PHAs never know how much they will actually receive. S. Schmutzer explained her understanding is PHAs with severe needs are the first priority. The BCHA applied based on port outs; because of the additional costs that come with port outs, this funding is to help shorten the gap between what the Authority is paying for its participants and what a participant in Minneapolis or Chicago is getting paid. Therefore, it is almost like a bonus payment but the Authority does not really know how much it is going to get. It is hard to plan because we cannot know what the proration will be. S. Schmutzer stated this may be the first time the funding has come back that it is not prorated; in previous years that she has seen, it has been \$500,000. S. Schmutzer stated it is detrimental that the Authority was not able to receive the funding earlier.

T. Diedrick asked that R. Hallet keep the Authority informed via email regarding the information from HUD. Diedrick stated HUD's Milwaukee office has been quite reasonable but their hands may be tied too.

REPORTS:

3. Report on Housing Choice Voucher Rental Assistance Program:

A. Preliminary Applications

P. Leifker reported that ICS collected a total of 170 preliminary for the month of July 2014.

B. Unit Count

P. Leifker explained that the unit count for the month of July 2014 was 2,901.

C. Housing Assistance Payments Expenses

P. Leifker stated that HAP expenses for July 2014 were \$1,130,408.

D. Housing Quality Standard Inspection Compliance

P. Leifker reported on the Housing Quality Standard Inspection Compliance report. In the month of June 2014, there were 333 inspections conducted, 193 of which passed on first inspection. Upon re-evaluation, 52 passed inspection and 63 failed. There were 25 no-shows during this time.

A DeKeyser stated he understood the no-shows do not count as a fail and are rescheduled, but inquired how many of the no-shows that actually show up on the rescheduled inspection pass or fail. A. DeKeyser inquired if participants intentionally no-show to provide them with more time because they know they are going to fail.

P. Leifker stated his assumption is simple forgetfulness rather than deceitfulness. There are situations in which ICS knows that landlords and tenants are trying to avoid inspections but a lot of times it is a miscommunication between the landlord and tenant as to who is supposed to be there to let in the inspector.

E. Program Activity/52681B (administrative costs, portability activity, SEMAP)

Y. Tice reported that there were 247 port-out vouchers in the month of June 2014, with an associated HAP expense of \$198,906. ICS administrative expenses were over-budget by \$11,848. This is primarily because ICS had to pay the HAPPY software for the next five months of the year. Otherwise, YTD ICS is doing fine. The Family Self-Sufficiency administrative funding was under-budget by \$1,593.45.

F. Family Self-Sufficiency Program (client count, escrow accounts, graduates, new contracts, homeownership)

N. Tiedt reported that in the month of July 2014, there were 64 Family Self Sufficiency clients, 31 clients with escrow accounts, one graduate, and two new contracts. There was another homeowner who closed in July 2014. There are now 64 homeowners participating in the Homeownership program.

G. VASH Reports (active VASH, new VASH)

N. Tiedt explained that there was 1 new VASH client and a total of 18 VASH participants in the month of June 2014.

H. Langan Investigations Criminal Background Screening and Fraud Investigations

P. Leifker reported that there were six new Langan Investigations assigned for the month of July 2014. Eight previous investigations were closed and two are still active. There were 16 new applications sent for background checks, all of which were approved.

P. Leifker reported a breakdown of fraud investigations by municipality for the month of July 2014, as well as a report of initial applications by municipality.

T. Diedrick noted that a significant aspect of the program is that there are 64 homeowners. The importance of the property taxes that come back to the community shows how valuable the program is for the community to those that question the program. T. Diedrick opines that 64 is a pretty powerful number.

OLD BUSINESS:

None

NEW BUSINESS:

4. Review of responses to RFP for Project Based Vouchers and Approval to award Project Based Vouchers to Senior Homes, Inc.

R. Hallet stated that there was only one application for the RFP for Project Based Vouchers, which was from Parkside Apartments owned by Senior Homes in Pulaski. R. Hallet explained there were three areas that were examined for scoring. When the evaluators scored were averaged, Parkside Apartments scored 85 out of 100. The evaluation team is requesting that the Project Based Vouchers be awarded to Parkside.

C. Goddard inquired about Parkside's past experience.

R. Hallet explained Parkside participated in the Project Based Vouch before. R. Hallet explained it was a positive experience and there were no issues or concerns.

C. Goddard made a motion to award Project Based Vouchers to Parkside Apartments of Senior Homes in Pulaski. A. DeKeyser seconded. Motion carried.

5. Discussion and action regarding new VASH vouchers.

R. Hallet reminded the Authority that the BCHA had been invited to apply for fifteen VASH vouchers. The application has been submitted, however, has not heard a response from HUD yet. Staff is gearing up to be able to issue the VASH vouchers as soon as we are notified that the VASH vouchers have been awarded. The issue at hand is whether the Authority would absorb the existing VASH vouchers that the Authority currently has, which are port in vouchers. She reminded the Authority that the BCHA was not initially issued its own VASH vouchers. Instead, the VASH vouchers currently in use are port in vouchers from Appleton and Racine. They are residents of Brown County and thus are not traditional port in vouchers in that sense. She noted the question is whether the Authority wants to absorb those vouchers, which would quickly put the new vouchers to use. But there are other veterans who are in need of VASH vouchers, so alternatively, the Authority could issue new VASH vouchers to new veterans. That will take long to get them leased up because of the same process that P. Leifker indicated earlier. She explained the staff had a telephone conference with HUD and the VA to discuss this issue. At the end of the conference call, the majority of the participants felt like it was a break-even regardless of the way the Authority chose to go. However, P. Leifker later brought to staff's attention that issuing new vouchers will take longer. An alternative is to not issue all fifteen right away and instead issue ten or so initially. Staff can track how quickly those vouchers are leased up which, for the most part is outside of ICS's control, such as how quickly the client finds a unit and if the unit is going to pass inspection right away. If the vouchers issued are not getting leased up quickly, the Authority could absorb some in order to get them leased up more quickly. R. Hallet still needs to discuss with the Appleton and Racine Housing Authorities to confirm that they would allow some of the leased up vouchers to be ported back in the future if there are additional vets that need them.

R. Hallet stated initially the intention of this agenda item was to ask the Authority to make the decision to lease up new vouchers or to absorb, but at this point staff still needs confirmation from HUD.

K. Flom inquired how many VASH vouchers the Authority currently has. R. Hallet stated there are currently 18 port ins.

K. Flom inquired if the Authority absorbs, there would still be 18 but if new vouchers were issued then it would be 18 port ins and 15 new.

R. Hallet stated this was correct. R. Hallet noted according to the VA there are veterans who are in need of these VASH vouchers. R. Hallet stated in order to help the veterans, it would be better to lease up new vouchers. However, the drawback is the process is going to take some time, which is going to be problematic for the BCHA.

T. Diedrick inquired whether applicants for VASH vouchers are homeless or have apartments. R. Hallet clarified applicants are required to be homeless to qualify for VASH.

T. Diedrick commented applicants are starting from scratch, applying, and then trying to find a place that is going to qualify for the program. T. Diedrick inquired whether the applicants are connected to community agencies such as veteran's agencies. R. Hallet stated that to qualify for VASH, they need to be referred by the VA, so yes, they are connected to such agencies.

C. Goddard inquired whether the timing issue with the process is the same. R. Hallet explained that an issue staff has found with previous VASH clients is, because they are homeless, it takes them longer to find a unit.

A. DeKeyser inquired whether the concern is that if the Authority does not issue the vouchers by a certain time, the Authority will lose them.

R. Hallet explained the concern is the same concern as discussed with regard to the Set Aside Funding. That it would be most beneficial to the Authority to get them leased up before the end of September in order to be reflected on next year's funding.

T. Diedrick inquired if it was correct that VASH vouchers anywhere don't have the same strict criteria the BCHA has with backgrounds screenings. P. Liefker clarified that VASH vouchers have less strict criteria

C. Goddard inquired what action R. Hallet would like the Authority to take. R. Hallet suggested that the Authority authorize staff to take the action that the staff, in consultation with HUD staff, finds to be most beneficial.

C. Goddard stated he was having a difficult time understanding why the Authority would not try to house 15 additional homeless veterans.

S. Schmutzer inquired whether the ability to port in would disappear if the Authority issued its own vouchers.

R. Hallet stated it aspect was yet unclear.

S. Schmutzer indicated that if the Authority would be unable to utilize those 18 port ins anymore, that would be problematic. But if the Authority could still assist 15 additional vets, that would be optimal.

R. Hallet explained staff still needs to clarify the issue with Racine and Appleton of whether they would allow the BCHA to use more port in VASH vouchers if we absorb the existing ones. Additionally, because there are veterans that still need vouchers, if the Authority were to absorb, which basically leases up the fifteen newly awarded vouchers immediately, if Racine and Appleton will allow the BCHA to take more VASH vouchers in as port ins.

T. Diedrick stated if they do not, the Authority is better off staying as it currently is. R. Hallet concurred with leasing up fifteen new ones if that is the case.

T. Diedrick noted it is important to make sure the Authority could keep those port ins and that is why the staff discussed and decided to apply for VASH vouchers.

A. DeKeyser inquired why the Authority did not have VASH vouchers prior to now.

R. Hallet explained, according to what she was told, when the VA determined where there are homeless veterans that need VASH vouchers and Green Bay was identified as such a community. However, when it came to HUD actually dispersing the VASH vouchers, for some unknown reason, Green Bay/Brown County was overlooked.

C. Goddard inquired whether staff needed an answer today or could the item wait until next month's meeting to have more information.

R. Hallet stated staff does not know when they will receive a response from HUD, but as soon as the vouchers are awarded, staff would like to take immediate action so the vouchers could be leased up. R. Hallet stated she would not want to hold the item until next month because if the staff receives a response from HUD in the meantime, they would like to be able to proceed.

K. Flom suggested if the Authority is amenable to the motion, staff can send an email to them as soon as they hear from HUD regarding the information. If the email raises any concerns, the item can be put on hold until the next meeting. If no concerns arise, staff would have the motion already in hand to take action if needed.

T. Diedrick stated he would want the motion to reflect that the Authority would utilize the new VASH vouchers but not lose the ability to use the current vouchers in any way. The Authority would utilize the vouchers in a way that would be maximum utilization of the previous vouchers and any new vouchers issued.

C. Goddard made a motion to move forward with the VASH vouchers according to HUD's advice, and notify the Authority members, with an opportunity to ask questions, and that the BCHA gets the maximum utilization of the VASH vouchers. A. DeKeyser seconded. Motion carried.

6. Public hearing to receive input on the Brown County Housing Authority 2015-2020 Five-Year and 2015 Annual Agency Plan.

R. Hallet stated the BCHA 2015-2020 Five Year was provided in the packet but updates were since made so it is being provided as an additional handout to show the changes. R. Hallet stated this meeting serves as the public hearing. However, no one from the public attended.

T. Diedrick inquired whether the meeting was advertised as a public hearing.

R. Hallet confirmed it was. R. Hallet stated the actual approval of the plan by the Commissioners is item #7 in the agenda. R. Hallet stated considering no one from the public has appeared for the meeting, we could move on to item #7

7. Review and approval of Brown County Housing Authority 2015-2020 Five-Year and 2015 Annual Agency Plan.

R. Hallet reviewed the highlighted changes. R. Hallet stated she did not believe the term MTCS is in use anymore so it was changed to SEMAP in regard to the lease up factor. The next highlighted section, R. Hallet stated the indicated change specifies the activities toward deconcentration. The next highlighted area regarding the State's TRIP system had some wording changes as well as the correct full name for TRIP. R. Hallet stated the next section has changes for measurability.

R. Hallet noted Section 5.2 is goals and objectives that the Authority is required to establish for the next five years. Therefore, staff looked at the previous goals and if they were realistic to continue or whether they needed to be changed. R. Hallet noted several of the goals have been changed from previous goals.

P. Leifker reviewed the remainder of the Five-Year Plan: He explained section 7.0 highlighted the Project Based Voucher changes, noting the changes made the plan more specific including the maximum number of Project Based units which is 600. Another specific change is specifying the use of Project Based vouchers in areas that experience lower HCV utilization, such as with the RFP for rural housing. P. Leifker highlighted the changes on page 3 regarding the Consolidated Plan both locally and State. P. Leifker noted neither the local nor the State plans were completed prior to the Authority having to complete the five year plan, therefore the plan used information from their 2010 plan as well. P. Leifker noted Page 10 was entirely highlighted as having changes because he previously re-evaluated the goals that were set on the previous five-year plan as opposed to the most recent five-year plan. So he updated this entire section. One of the goals to continue focusing on is to continue to improve the quality of assisted housing, utilize policies and procedures to adjust customer experience, and gain high performance status for the next five years. The BCHA has earned high performance status six out of the last seven years. P. Leifker highlighted some of the other goals that are continuing include the continuation of the high integrity of the HCV program, which includes the partnership with Langan & Associates.

T. Diedrick noted one of the great aspects regarding deconcentration is the goal to providing a good living environment. T. Diedrick opined that he believes this is one aspect that is often overlooked and many believe a majority of the vouchers are located in Green Bay. T. Diedrick stated it is important to let the public know how much has been done towards deconcentration.

P. Leifker noted progress in that area is the regards to the goal of a maximum of 70 percent of the vouchers used within the City of Green Bay census tracts. Currently the program is at 68 percent. P. Leifker noted this is a notable improvement from where the number used to be.

P. Leifker highlighted the goal of promoting self-sufficiency and asset development. This was a goal the program was unable to meet this past year: the goal was for 1 percent or less of the families on the HCV program to be at zero income. This was unrealistic as the present statistic is four percent. The goal was adjusted to two percent.

A DeKeyser made a motion to approve of the Brown County Housing Authority Five Year Plan. C. Goddard seconded. Motion carried.

INFORMATIONAL:

8. Update on fraud recovery.

R. Hallet stated N. Aderholdt provided a brief summary regarding fraud recovery. R. Hallet highlighted \$991,750.23 remains due. The total collected is \$556,333.59. There are 4892 fraud cases, of which 141 have been satisfied. There were 13 new cases filed in 2014, of which four are open for trial. R. Hallet stated clients who have committed fraud are not eligible for assistance through any PHA until the money has been paid, which may be one of the biggest incentives for individuals to pay. Other incentives to pay are the judgments against them and the TRIP program.

A. DeKeyser inquired whether staff knows how the BCHA compares to other PHAs.

T. Diedrick stated very few PHAs are taking these measures.

C. Goddard inquired whether the recovery goes into a separate fund.

S. Schmutzer stated there are two ways to report fraud recovery money to HUD: A PHA can document the actual expenses, including staff time, on fraud recovery and thus retain more than 50 percent of the recovered amounts if the actual expenses exceed 50 percent. The BCHA has opted for option two which is splitting the recovered funds 50/50. In this case, half goes to administration and half goes back to the HAP program. This is the most common way that PHAs approach it. She then explained this is the more beneficial option to the BCHA and there is much less documenting in the process.

T. Diedrick stated the fraud recovery efforts and partnerships such as with Langan & Associates shows the dedication of the Authority and staff to the program and the value of the funds allocated to the Authority. Staff is taking measures to make sure only those who are eligible are receiving program assistance.

BILLS:

S. Schmutzer highlighted some items with the bills, including a payment for insurance and auditing expenses. She stated the audit is winding down and should be wrapped up shortly.

T. Diedrick explained the bill with his name on was for the mileage reimbursement expense.

C. Goddard made a motion to approve the bills. A. DeKeyser seconded. Motion carried (T. Diedrick abstained).

FINANCIAL REPORT:

S. Schmutzer noted nothing significant stood out. The Authority did receive an additional \$28,000 for administrative funds from HUD for the first quarter.

STAFF REPORT:

9. Date of next meeting: To be discussed

R. Hallet stated the date of the next meeting conflicted with the WAHA Conference. Alternative times include earlier the same day of September 15, 2014 at 1:00 p.m. or the Monday of the following week, September 22, 2014 at 3:00 p.m. A. Nicholson did not respond to an email inquiring of the Authority members' preference, but September 22 appeared to be the preferred date for everyone else. The next meeting will therefore be September 22, 2014 at 3:00 PM.

For other staff reports, R. Hallet stated the Housing Intern M. Yang has found a full-time position and will be leaving her role as intern. R. Hallet noted the Authority will be looking for a new intern

The meeting was adjourned at 3:54 p.m.

mny:rah:jd